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EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME

Forty-sixth session

REPORT OF THE FIRST MEETING OF THE STANDING COMMITTEE (30-31 January 1996)

I. INTRODUCTION

1. The first meeting of the Executive Committee's Standing Committee was opened by the Vice-Chairman of the Executive Committee, His Excellency Ambassador Ali Said Mchumo (United Republic of Tanzania).

II. DISCUSSION OF PROVISIONAL AGENDA

2. The Draft Annotated Agenda (EC/46/SC/CRP.1) was adopted without comment.

III. HIGH COMMISSIONER'S STATEMENT

3. The High Commissioner delivered the opening statement to the meeting.

IV. OVERVIEW OF RECENT DEVELOPMENTS

4. The Standing Committee had before it the document entitled Overview of Regional Developments (October to December 1995) (EC/46/SC/CRP.11). The Director of the Africa Bureau reviewed the situation in the Great Lakes region, which, with 1.7 million refugees, remains a priority concern for the Office. He said that for stability to return to the region, voluntary repatriation is the only solution.

5. In regard to the former Yugoslavia, the High Commissioner told delegations that a detailed plan of operations would be completed and delivered before the end of February. A Housing Trust Fund of $ 30 million had been established to assist in home repair. UNHCR's focus in the region is to facilitate voluntary repatriation in a safe and orderly manner. Norway offered to host a high-level working meeting on the former Yugoslavia in March. Austria announced that its Government would organize a human rights roundtable focusing on former Yugoslavia to be held in Vienna on 4 and 5 March.

6. Delegates expressed satisfaction with the January 1996 meeting in Bangkok on the Comprehensive Plan of Action (CPA) and generally agreed that it is time for UNHCR to phase out its programmes under the CPA. Some delegates emphasized that voluntary repatriation should continue to be promoted.

7. Speaking about the CIS Conference project, one delegate said that the January meeting had demonstrated that Conference preparation had "passed from words to action". Several delegations urged Governments to fully engage to ensure the success of the Conference.

8. One delegation denounced mistreatment of its nationals who were refugees in a neighbouring State. The delegation of the latter State denied the allegations. Both delegations reaffirmed their commitment to voluntary repatriation programmes.

9. Planned return operations in Guatemala are to go ahead as scheduled. Assurances of full cooperation from the new Government were recently given to Under-Secretary-General Goulding on a recent mission to the region.

10. Several delegations expressed satisfaction with UNHCR's success in repatriation programmes during 1995.

V. PROGRAMME AND FUNDING ISSUES

11. The Standing Committee had before it the Overall Programme and Funding Projections for 1995 and 1996 (EC/46/SC/CRP.4 and Add.1) and UNHCR's contribution to the United Nations Medium Term Plan: 1998-2001 (EC/46/SC/CRP.2)

12. A review of 1996 General Programmes was carried out. The projected needs for these programmes remain at $ 445.3 million, as approved by the Executive Committee at its October 1995 meeting. Programme needs under 1996 Special Programmes were estimated at $ 856.2 million, although these were expected to rise when the full requirements for the former Yugoslavia, including the shelter project, became known in February 1996. On the funding situation, it was noted that the recent trend of increased contributions to General Programmes was being maintained. As regards Special Programmes, although contributions to these had been significant, there were shortfalls in 1995 for programmes in the Horn, and the Great Lakes regions of Africa.

13. Addressing the issue of funding, one delegation asked that an up-to-date list of the principal donors and their contributions be given in future documentation. Another delegation stated that the approved General Programme level for a given year should be clearly indicated in tables, as well as the regional allocations for programmed activities. Yet another delegation felt that

it was necessary not only to strengthen UNHCR's donor base, but to broaden it as well. Several delegations welcomed the increased support for General Programmes, with one delegation underlining the need for dialogue between UNHCR and donors on the priority attached to the full funding of these programmes.

14. The Standing Committee adopted the related Decision on Programme and Funding (annexed).

15. Commenting on UNHCR's contribution to the Medium Term Plan, delegations expressed concern at the limited time available for its review. Delegations suggested a range of amendments which were incorporated into the revised text (EC/46/SC/CRP.2/Rev.2) for transmission to the United Nations Secretariat. The related Decision on the Medium Term Plan adopted by the Standing Committee (annexed) underlined the fact that the Standing Committee would need to review the Plan in the light of evolving circumstances so as to adjust objectives and priorities as necessary.

VI. CONSIDERATION OF ECOSOC RESOLUTION 1995/56

16. The Chairman drew the Committee's attention to the Consideration of ECOSOC Resolution 1995/56 (EC/46/SC/CRP.12), which provided a general framework for discussion on the ECOSOC resolution, and to three technical documents on aspects of emergency response, namely Operational and Financial Capacity of UNHCR in view of its Mandate and Role: Emergency Response (EC/46/SC/CRP.7), Information Note on the Development of Operative Memoranda of Understanding (EC/46/SC/CRP.8) and Consolidated Appeals (EC/46/SC/CRP.9). Introducing the item, the Assistant High Commissioner proposed that the Executive Committee structure its deliberations around the three main prongs of UNHCR's strategy, namely, emergency response, the promotion and implementation of solutions and prevention (as stated in CRP.12). The January meeting would focus on emergency response, the April meeting on issues related to solutions, including the continuum from relief to development and other aspects of country of origin operations, including protection considerations. The June meeting would take a closer look at prevention, while leaving some of the over-arching issues of capacity and coordination for consideration at the September session. The Assistant High Commissioner said that UNHCR would continue to participate actively in the inter-agency ECOSOC Task Force and he invited DHA to address the Standing Committee at its April meeting.

17. Most delegations who took the floor on this item broadly agreed with UNHCR's approach as set out in EC/46/SC/CRP.12. Supporting this, one delegation asserted that the documents constituted a strong and positive start to the consideration of the topic, while another felt that the long-term planning perspective was especially good. UNHCR participation in the Inter-Agency Standing Committee Working Group's Task Force on the resolution was welcomed. One delegation, however, cited the need for a more detailed analysis of the lead agency concept. The same delegation suggested that the question of unpredictability referred to in para. 12 of the above document should not be overemphasized, and that it need not preclude efforts to develop efficient planning mechanisms.

18. On the question of appeals, delegations, while acknowledging certain drawbacks from UNHCR's perspective, stressed the usefulness of consolidated appeals. One delegation favoured aligning them with the calendar year. A

question was raised regarding the reference in paragraph 11 of EC/46/SC/CRP.9 to a "DHA Consolidated Appeal"; it was later explained by the Secretariat that this was erroneous, and should have read "United Nations Consolidated Appeal".

19. One delegation underlined the need to finalize the proposed UNHCR/UNICEF Memorandum of Understanding; in this regard, another delegation requested a briefing on the Memorandum. Regarding internally displaced persons, one delegation thought that ECOSOC should examine the role of DHA as a coordinator, at the headquarters level. With reference to EC/46/SC/CRP.7, another delegation requested more information on service packages. The importance of timing in the consideration of the ECOSOC resolution was mooted, with one delegation emphasizing the importance of presenting to the 1996 ECOSOC session a solid document on the topic.

VII. REPORTS RELATING TO OVERSIGHT

20. A Background Note on International Procurement (EC/46/SC/CRP.6) was available to the Standing Committee. It was agreed that the Secretariat would organize an informal meeting for Governments to explain and discuss further UNHCR's procurement mechanisms. Delegations stressed that procurement should be fair and cost-effective, whether undertaken directly by the Office or through implementing partners.

21. Addressing general audit issues, the Controller stated, that although the report of the ACABQ on the Board of Auditors report (A/AC.96/853/Add.1) had been issued on 31 October 1995, and although UNHCR had already provided an initial response to the Board of Auditors report at the Sub-Committee on Administrative and Financial Matters in October 1995, the issues it contained were still current and still occupied the attention of UNHCR. He asked that the Committee consider the report in conjunction with the papers on Audit Issues (EC/46/SC/CRP.13), Property (EC/46/SC/CRP.5) and Procurement (EC/46/SC/CRP.6).

22. The Controller pointed out that the paper on audit issues comments on UNHCR's response to the recommendations made by the auditors and highlights improvements to the audit process made by UNHCR. It was also intended to open discussion of any constraints to the follow-up of particular audit comments or for suggestions for improvements. He noted in particular that there had been recent cases of the findings and recommendations of the auditors having been amplified out of context in certain fora, like the Fifth Committee, and particularly the media.

23. He also told the Committee that he would be meeting with the Director of the Board of Auditors personally in the near future to discuss the audit process and UNHCR's concerns.

24. The Controller then presented the paper on property for consideration by the meeting. He pointed out that the paper was, in part, a response to the audit observations on property in the Board of Auditors report which referenced "inventory management" and "vehicles" in particular. The paper provided further information on the new Asset Management System which involves both a revised set of procedures - which reinforce delegated responsibility in the field - and a

tracking and monitoring software package that provides a comprehensive database and can produce a variety of management reports.

25. As part of his presentation, the Controller provided an update on the figures supplied in the paper. Since the paper was produced the pace of implementation had been rapid and the number of countries that had submitted data had risen from 38 to 71, which represented approximately $ 140 million in recorded assets. In addition, the software was now available on the Local Area Network at Headquarters.

26. Delegations intervening on this issue welcomed the more systematic use of reports by the Committee and generally congratulated UNHCR for being on the right track and for taking account of previous interventions by donors on the audit issue. One delegation said that although UNHCR explained some implementation problems by pointing to the constraints of emergency situations, audit comments were often directed at stable operations where emergency pressures did not play a role. There was support for the suggestion of the Advisory Committee on Administrative and Budgetary Operations (ACABQ) that they should be approached to change the rules if UNHCR found that they are not enforceable in emergency situations.

27. It was then requested that the Committee be provided with information about what issues were being reported on to the Office of Internal Oversight in New York. In addition, a delegation reminded UNHCR of the importance it attached to audit certification and reiterated its concern that the issue be looked at by UNHCR.

28. Delegations intervening on the property paper were supportive of the proposed decision and encouraged by the progress in implementation so far. A question was raised about how UNHCR deals with the accumulation and disposal of property on a global level and whether it was considered as an investment. It was requested that the Committee be provided with an annual report on property and the total figures of current assets and figures for the disposal of assets. Clarification was requested on when the other main audit issues listed in the paper would be considered.

29. The Controller responded by assuring the Committee that audit certificates were still a requirement in the UNHCR sub-agreement but that the problem appeared to be one of compliance and UNHCR was looking into the matter. He also pointed out that the reporting UNHCR undertakes to the Office of Internal Oversight then formed part of the reporting provided to the General Assembly. If, however, the Committee wished to receive some of the substance of these reports, UNHCR could find an appropriate method to share this information.

30. Regarding property, the Controller indicated that all disposal and redeployment of assets was monitored by the Property Survey Board; this used to be a centralized function, but was now in many cases delegated to Field Offices, where decisions on disposal were taken. Income from the sale of assets is credited back to the operation concerned. He also indicated that an annual report on the status of assets could be produced from the new software for the Committee's consideration.

31. Relevant Decisions on Property and on International Procurement are annexed.

32. The Director of UNHCR's Inspection and Evaluation Service introduced the paper on UNHCR's Evaluation Activities for 1996 (EC/46/SC/CRP.10).

33. One delegation asked if information could be given on evaluations carried out by UNHCR departments other than the Inspection and Evaluation Service, and said it would be useful to have an overall list of all evaluations undertaken by the Office.

34. Another delegation agreed with six of the proposed evaluations for 1996 but queried the necessity of the one on education policy, saying there had already been two Executive Committee discussions on this subject. He proposed another subject for an evaluation: the Regional Support Unit for Refugee Children (now in Rwanda) - its function within UNHCR and vis-à-vis other organizations.

35. A third delegation said it would be useful if future evaluation reports were shared with Committee members who, he said, looked forward to ongoing dialogue with the Inspection and Evaluation Service. He expressed approval of the use, for evaluation studies of external consultants with knowledge of UNHCR, and asked if plans existed for evaluations in collaboration with external partners.

36. In reply to the interventions, the Director of the inspection and Evaluation Service confirmed that it would be possible to present a report on all evaluations carried out by UNHCR. With regard to the query on education, he replied that there was a need for a review of education policy and practice, particularly at secondary and post-secondary level, through a case study approach. His Service would examine whether the study proposed on the Regional Support United for refugee children could be included in existing plans, considering the present workload and human resources available. Discussions were already being held WFP he said, with a view to joint evaluations.

VIII. MANAGEMENT AND ADMINISTRATIVE MATTERS

37. The Deputy High Commissioner reviewed the many efforts being made to enhance UNHCR's capacity to respond effectively to the growing and increasingly complex demands placed upon the Office. Efforts in the area of strengthening field operations have included: changes in emergency response; new partnerships with Governments (such as service packages), with NGOs and with other organizations; reinforced capacity for internal oversight; and initiatives in strategic planning and research.

38. In the context of these major management initiatives, he reviewed specific projects in progress, including the upgraded communications systems, addition of new databases, new asset management and inventory systems and the Career Management System.

39. The new Director of the Division of Resources Management, taking the floor on this item, said that she could summarize her task as developing and reinforcing personnel management systems to assure that the right person was in the right job at the right time.

IX. OVERHEAD COSTS OF NGO IMPLEMENTING PARTNERS

40. The Secretary of the Executive Committee gave a brief oral progress report on the work accomplished during the two informal technical consultations regarding NGO overhead costs.

X. REVIEW OF UNHCR FINANCIAL RULES

41. The Controller introduced this item by explaining that the revised version of the UNHCR Financial Rules (EC/46/SC/CRP.3) was the logical and technical extension of the Decision on Budget Structure and Governance made by the Executive Committee last year (A/AC.96/860, para.22). One delegation queried whether there was any contradiction between para.7.3 and para. 8.2 in that each appeared to state slightly different ceilings for the right of the High Commissioner to enter into obligations. Mr Fakhouri responded that para. 8.2 was in fact a complementary paragraph to para. 7.3 and that it further clarified the ceiling for obligations.

42. In reply to a question about whether UNHCR required General Assembly approval for the changes, the Deputy High Commissioner pointed out that UNHCR had the delegated authority to change its own rules as long as they were consistent with general United Nations regulations. The relevant Decision on UNHCR Financial Rules is annexed.

ANNEX
DECISIONS ADOPTED BY THE STANDING COMMITTEE

I. DECISION ON PROGRAMME AND FUNDING

The Standing Committee,

Recalling the decision of the forty-sixth session of the Executive Committee on programme, administrative and financial matters (A/AC.96/860, para.21),

(a) Notes the overall revised needs for 1996 are estimated at $ 1.328 billion, of which projected needs for General Programmes remain at $445.3 million, as approved by the Executive Committee at its forty-sixth session, and those for Special Programmes are $856.2 million;

(b) Expresses satisfaction with the positive trend in the level of contributions to General Programmes and, in view of the priority the Office attaches to the full funding of these programmes, urges it to sustain its efforts to ensure an improved and stable funding base for them;

(c) Calls, moreover, for contined and more strenuous efforts to expand and strengthen the donor base for both General Programmes and Special Programmes and requests the High Commissioner to keep the Standing Committee regularly informed in this respect;

(d) Welcomes dialogue established by UNHCR with donors, in accordance with the wishes of the Executive Committee (A/AC.96/860, para.22(d)), on funding issues and priorities;

(e) Calls for a continuing review and evaluation of current budget processes with a view to finding the optimum methods and procedures for the funding and financial management of UNHCR, consistent with the need for a secure funding base and for greater tranparency and accountability.

II. DECISION ON THE MEDIUM TERM PLAN

The Standing Committee,

Having considered UNHCR's proposed contribution to the United Nations Medium Term Plan: 1998-2001 (Programme 20: Protection and Assistance to Refugees),

(a) Endorses the contribution as a summary of the objectives to be pursued by UNHCR on the basis of its mandate in the period 1998-2001;

(b) Expresses, nevertheless, its concern that the timeframe for submission of UNHCR's contribution to the Plan did not permit detailed review by the Standing Committee;

(c) Reaffirms that the Standing Committee and the Executive Committee will, in accordance with their respective terms of reference, continue to provide appropriate governance over UNHCR's programmes and activities;

(d) Further emphasizes that the Standing Committee will, as necessary, review the Plan in order to adjust objectives and priorities as necessary in the light of evolving circumstances.

III. DECISION ON PROPERTY

The Standing Committee,

Recalling with concern the observations of the Board of Auditors on deficiencies in the management of expendable and non-expendable property,

(a) Stresses the urgent need for UNHCR to ensure that all assets are efficiently recorded and monitored;

(b) Welcomes the introduction of UNHCR's new asset management system as a means to manage and control property administered directly by the Office or placed under the care of its implementing partners and urges UNHCR to proceed with full implementation of the system at the earliest possible date;

(c) Also urges the High Commissioner to take effective interim measures, including appropriate instructions to field staff and implementing partners, be taken to ensure that all acquisitions of property are tracked appropriately in the existing system;

(d) Asks to be kept informed at the forty-seventh session of the Executive Committee of action taken on this decision.

IV. DECISION ON INTERNATIONAL PROCUREMENT

The Standing Committee,

(a) Notes the substantial increase in UNHCR's procurement activity over the last five years and improvements made in procurement practices, procedures and systems;

(b) Urges UNHCR to take all necessary measures to ensure efficient, fair and cost-effective procurement both at Headquarters and in the field, whether such procurement is undertaken directly or through implementing partners.

(c) Welcomes, in this context, the reintroduction into UNHCR's programming instructions of the requirement to establish annual purchasing plans covering a greater range of commonly used articles;

(d) Calls on UNHCR to continue to expand the scope of frame agreements with suppliers to cover purchases of frequently required goods and equipment and urges the Office, in establishing such agreements, to continue its efforts to secure maximum possible competitive offers through publicity for invitations to bid;

(e) Calls also on the Office to continue to improve systems of vendor rating and performance evaluation;

(f) Expresses concern at the low level of receiving reports issued while acknowledging ongoing efforts to improve supply chain management;

(g) Asks to be kept informed of progress made in respect of this decision at the forty-seventh session of the Executive Committee.

V. DECISION ON UNHCR FINANCIAL RULES

The Standing Committee,

Having considered the revisions to the Financial Rules for Voluntary Funds Administered by the High Commissioner for Refugees, set out in conference room paper EC/46/SC/CRP.3,

Endorses the revised Financial Rules to be promulgated by the High Commissioner on 1 February 1996, with retroactive effect from 1 January 1996.